

**COMMISSIONERS' OPEN MEETING
MINUTES OF MEETING HELD FEBRUARY 22, 2012**

In attendance: Commissioners David Langhorst, Tom Katsilometes, and Richard Jackson; Valerie Dilley, Steve Fiscus, Robin O'Neill, Mark Poppler, Liz Rodosovich, Ted Spangler, Randy Tilley, Bill von Tagen, Doreen Warren; Lisa Palmer, Rod Brevig, Dwayne Hines.

Public Session.

Commissioner David Langhorst convened the meeting and announced that the Governor appointed him as interim chairman of the Tax Commission, following Bob Geddes resignation.

Business Requiring Vote of the Commission.

Minutes.

Commissioner Katsilometes moved that the minutes of the Open Meeting held on February 1, 2012, be approved. There were no comments or amendments. All voted in the affirmative, and the minutes were approved.

2012 Forest Land Values.

Rod Brevig, Forest Tax Administrator, provided a presentation on the history of forestland values in Idaho, the proposed forestland values for 2012, and the projected forestland values for 2013. The proposed 2012 forestland values were provided to all stakeholders by email on January 25, 2012. Comments were solicited for changes to the proposed 2012 forestland values and comments were requested by January 31, 2012.

Rod noted that HB 357 had passed and was signed. He acknowledged that Commissioner Katsilometes has been the chairman of the Committee on Forest Taxation Methodology (CFTM) since 2005. Rod explained that the values had decreased the last few years and became negative due to the decline in the construction industry and closure of mills. HB 357 will give time for the values to recover, while anticipating that CFTM will review the evaluation law in five years. Similar scenarios are expected in 2013 and 2014. Discussion followed.

Rod proposed that the following values be used for assessment purposes under the Forest Land – Productivity Option (Category 6), and Bare Land & Yield Option (Category 7):

<u>Forest Land Value Zone</u>		<u>Land Grade</u>	
	Good	Medium	Poor
ZONE 1: Boundary, Bonner, Kootenai Counties.	\$149 518	\$104 284	\$61 BL&Y 128 Productivity
ZONE 2: Benewah, Latah, Shoshone, Clearwater, Nez Perce, Lewis, Idaho.	\$144 451	\$91 245	\$46 BL&Y 110 Productivity
ZONE 3: Adams, Valley, Gem, Washington, Payette, Ada, Boise, Elmore, Gooding, Camas, Blaine, Lincoln, Canyon.	\$102 197	\$65 104	\$34 BL&Y 43 Productivity

ZONE 4: All Forest Value	\$74	\$47	\$25 BL&Y
Zone 4 Counties.	187	103	50 Productivity

Commissioner Langhorst noted that it was a pleasure to hear Rod's presentation and how the agency is fortunate to have so many specialists on the staff. The Commission appreciates all Rod Brevig's work.

Commissioner Jackson moved that the submitted Forest Land values for assessment Year 2012 be approved. There were no further comments or questions. All voted in the affirmative, and the motion passed.

Administrative Reports.

There were no administrative reports.

Public Comments.

There were no more public comments.

Other.

Commissioner Jackson noted that while at the Governor's Capitol for a Day in Fruitland, Idaho, he received a question on timber hauling. The question was how to keep the timber in the state, since most of the timber hauling out of Zone 3 was leaving the state. It was noted that there are fewer sawmills in Idaho. Another question asked was on a buffer zone for the sales tax in Fruitland. The Commissioner said that it was a very good meeting.

Commissioner Langhorst noted that the agency has supported streamlined sales tax in the past, but was not vocal. This year the Governor supports the concept and the Tax Commission will be more vocal. He noted that the Commission does support the concept and will attend meetings and contribute as well.

Dan John and Randy Tilley will be attending a hearing next Wednesday, February 29 on the fiscal impact of the streamlined sales tax bill. Commissioner Langhorst will be offering testimony noting a high ROI (return on investment) is anticipated. He strongly encouraged Randy and Doreen to attend the bill's hearing to see what it requires administratively, while not on a policy basis. Bill von Tagen suggested a future meeting with the explanation and mechanics of how it works. This time Randy would be able to give a brown bag lunch for staff on the subject. The bill is online and the hearing will be streaming over the internet.

There being no further business, the meeting adjourned.

Valerie Dilley
Secretary

David R. Langhorst
Chairman